

First Nations Gaming in Saskatchewan

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Overview

- Saskatchewan context
- 1994 Agreement
- 1995 Agreement
- 2002 Agreement and amendments
- Current Structure
- Key Components
- Rationale/Impact

Saskatchewan Context

- Total population approximately 1 million
- Aboriginal population approx 142,000 (14% of total)
- First Nation (FN) population approx 91,000 (9%):
 - 52% living on-reserve
 - 48% living off-reserve
- Approximately 80 FN bands
- 74 bands represented by the Federation of Saskatchewan Indian Nations (FSIN)

Some context - 1991

Saskatchewan - 1991 (Stats Canada)

| | Aboriginal | Non-Aboriginal | Gap |
|--------------------------|------------|----------------|-------|
| Labour Market: | | | |
| - participation rate (%) | 49.8 | 70.1 | -20.3 |
| - employment rate (%) | 37.1 | 65.9 | -28.8 |
| - unemployment rate (%) | 25.5 | 6.0 | +19.5 |
| Average Income | \$11,961 | \$23,444 | 51% |

Early Developments

- Late 1980s and early 1990s – individual First Nations and the Federation of Saskatchewan Indian Nations (FSIN) bring forward jurisdiction arguments regarding on-reserve gaming.
- 1993 – Casino opens on White Bear FN in contravention of the *Criminal Code*.
- Casino shut down, Province agrees to dialogue with FSIN.

1994 Gaming Agreement

- Creation of single Crown Corporation – Saskatchewan Gaming Corp (SGC)
 - Board of 7
 - 4 nominated by government
 - 3 nominated by FSIN
- 2 casinos:
 - 1 each in Regina and Saskatoon
 - Each limited to 500 slots
 - 50% aboriginal employment at each site

1994 Gaming Agreement – cont'd

- All profits accrue to government
- SGC Act to establish statutory First Nation Fund:
 - 25% of net profits to be paid to the Fund
 - Fund to make payments to all bands “on a fair and equitable basis”

Change in Plans

- Fall 1994 – Saskatoon citizens reject development of a casino in plebiscite
- Province/FSIN return to negotiating table

1995 Gaming Agreement

- SK Gaming Corporation continues – to operate 1 casino in Regina with 50% aboriginal employment target
- First Nation involvement broadened:
 - Commitment to work together on proposals to Federal Government to allow FNs jurisdiction for gaming on-reserve
 - FN entity created to regulate charitable gaming on-reserve (Indigenous Gaming Regulators (IGR))
 - FN entity created to propose and develop casino sites (Saskatchewan Indian Gaming Authority (SIGA))
 - Creation of FN Addiction Rehabilitation Foundation
- Revenue share maintained (25% paid to FN Fund)
- 5 year term unless renewed by both parties

1995 Gaming Agreement - SIGA

- SIGA established to operate up to 4 “community supported casinos”
 - Development proposals for each location
 - Approvals:
 - Individual FN (band council resolution)
 - Major market municipality (council resolution)
 - Conduct and management rests with Province
 - Province guarantees market protection to sites when established
 - Slots capped equal to SGC’s Regina casino
 - All 4 original sites opened in 1996

1995 Gaming Agreement - SIGA

- “Community” casinos operate pursuant to a Casino Operating Agreement (contract) between SIGA and SLGA
- Agreement ensures compliance with *Criminal Code*:
 - SLGA specifies “operating policies and directives”
 - Annual budget approval
 - All net revenue flows to SLGA/government; then flows to FN Fund through grants

2000-2001

- Series of short-term extensions while agreement renegotiations continue
- Community Development Corporations (CDCs) added to Gaming Agreement:
 - 25% of net profits redirected from a provincial community assistance fund to CDCs
 - CDCs to provide funding for projects to benefit FN and non-FN people living in and around each casino site
- SGC opens second site (Moose Jaw)

2002 Gaming Framework Agreement (GFA)

- First Nation broad involvement continued:
 - Jurisdiction for on-reserve gaming – more details on process
 - FN on-reserve regulation – more details on process/expectations; separate agreement developed
 - Operations – SIGA continues, with expansion contemplated
- Revenue share:
 - 37.5% (up from 25%) to FN Fund (now a non-statutory Trust)
 - 25% to CDCs continued
 - Dedicated funding for FNARF (\$1.5M/yr)
 - Funding to FSIN for on-reserve jurisdiction process (\$0.25M/yr)
 - Funding to IGR for on-reserve charitable gaming regulation
- 25 year agreement - mandatory reviews every 5 years

2002 GFA – Regulatory (IGR)

- Added separate regulatory agreement between IGR and SLGA
 - Charitable gaming licensing on- or off-reserve to be “essentially the same”
 - 3 phases:
 - License and regulate charitable lottery schemes
 - Register charitable gaming employees
 - Register charitable gaming suppliers
 - Agreement and capacity assessment required prior to delegation of each phase

2002 GFA – Operation (SIGA)

- SIGA – operation of 4 sites continued
- Development proposals for any new location
- Saskatoon market protected for 8 years
- Conduct and Management rests with Province
- Province guarantees casino market protection to any sites once established
- Slot number no longer capped equal to SGC casinos

2003-2006

■ Amendments:

■ 2004:

- Development of Dakota Dunes casino (Saskatoon market)
- Add 550 slots
- Increase FNARF funding from \$1.5M to \$2M

■ 2005:

- Development of Living Sky casino (Swift Current)
- Add 200 slots

■ Now 6 sites, 1870 slots

2007

- Licensing agreement with IGR completed
- IGR successfully meets third party capacity assessment
- Delegation of 1st phase (regulation of charitable gaming lottery schemes) to IGR effective April 1, 2007.

2007 GFA Review

- FNARF funding increased from \$2M to \$2.25M
- SIGA revenue share to FN Trust Fund increased from 37.5% to 50% of net profit

Key Components

- Agreements always addressed 3 aspects:
 - Jurisdiction issue
 - Operation
 - Regulation
- Conduct and management of slots held by Province (as required by *Criminal Code*)
- FNs, through SIGA, are proponent/builder, and day-to-day site operator
- Benefits accrue equitably to all FNs in SK
- Focus on capacity building and economic engagement – operation and regulation

Making a Difference?

- SIGA (operating):
 - 2200 employees
 - 80% FN employment target
 - One of largest FN employers in SK
 - Since 1995, approx \$300M distributed to FN bands through FN Trust, and \$90M to FN and other communities through CDCs
 - One of the Top 30 companies in SK

Making a Difference?

- IGR (regulatory):
 - Increase in licensed on-reserve charitable gaming
 - Increased awareness among First Nations of the benefits of third-party regulation
 - Improved consistency between on- and off-reserve charitable gaming

Making a Difference?

Saskatchewan – 1991 vs 2006

| | 1991 | | | 2006 | | |
|--------------------------|------------|----------------|-------|------------|----------------|-------|
| | Aboriginal | Non-Aboriginal | Gap | Aboriginal | Non-Aboriginal | Gap |
| Labour Market: | | | | | | |
| - participation rate (%) | 49.8 | 70.1 | -20.3 | 56.4 | 70.1 | -13.7 |
| - employment rate (%) | 37.1 | 65.9 | -28.8 | 46.1 | 67.1 | -21.0 |
| - unemployment rate (%) | 25.5 | 6.0 | +19.5 | 18.2 | 4.2 | +14 |
| Average Income | \$11,961 | \$23,444 | 51% | \$19,939 | \$33,109 | 60% |

Questions?

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